

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2020**

Hilden Park Accountants Limited  
Chartered Accountants  
& Statutory Auditors  
Hilden Park House  
79 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent  
TN11 9BH

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

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For The Year Ended 31 July 2020**

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**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE)**

**COMPANY INFORMATION**  
**For The Year Ended 31 July 2020**

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**DIRECTORS:**

R Martin  
G J Lockett  
D M Markscheffel  
F Van Wezel

**REGISTERED OFFICE:**

2nd Floor  
4 Beaconsfield Road  
St Albans  
Hertfordshire  
AL1 3RD

**BUSINESS ADDRESS:**

Roots Hall  
Victoria Avenue  
Sounthend on Sea  
Essex  
SS2 6NQ

**REGISTERED NUMBER:**

00089767 (England and Wales)

**AUDITORS:**

Hilden Park Accountants Limited  
Chartered Accountants  
& Statutory Auditors  
Hilden Park House  
79 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent  
TN11 9BH

**STRATEGIC REPORT  
For The Year Ended 31 July 2020**

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The directors present their strategic report for the year ended 31 July 2020.

**Introduction**

The filing of these accounts and the drafting of this statement have been delayed in the first instance by the COVID19 pandemic and most recently due to a Group company restructure. This statement comments on the period in question but also references changes that have been made post the accounting period.

Roots Hall Stadium was built in 1955 (with the principal stand of timber construction), the age and method of construction of the stadium means that costly maintenance is required in order to obtain a Safety Certificate. This position is unsustainable and, whilst Roots Hall is popular with the Club's supporters, it has no long term future and the Club needs to move to a new facility.

Planning permission has been obtained for a 22,000 seater stadium, however, a revised application has been submitted to reduce the capacity to 16,200. The new stadium will provide an enhanced matchday experience and significant non-matchday revenue streams. We anticipate being able to start construction works in or around Autumn 2023.

In June 2021 the Board appointed Tom Lawrence as CEO. Tom is a solicitor and an experienced football administration professional having worked as CEO in another League 1 Club. Tom conducted a strategic review of all parts of the business with the objective of creating an environment for success so the Club can become high performing (post June 21).

**REVIEW OF BUSINESS**

The Club started the season under the Stewardship of Kevin Bond, however, against the backdrop of unfavourable results, Kevin was replaced by Sol Campbell in October 2019.

The global pandemic caused the season to be curtailed in March 2020, with the Club being relegated due to occupying a relegation spot at the time of the curtailment.

Sol left post in June 2020 and was replaced by Mark Molesley in August 2020.

Results did not meet the Board's expectations and Mark Molesley was replaced by Phil Brown in April 2021. . Phil has significant pedigree and has enjoyed success at all levels of the EFL, including seeing the Club's promotion from League 2 to League 1 in the 2015/2016 season. Although Phil was unable to help the Club avoid relegation the Board, at the time, felt that he was the correct appointment to lead a charge to gain promotion from The National League back to the EFL at the first time of asking.

Unfortunately Phil's stewardship did not work out and the Club dismissed him and his Assistant in October 2021.

Following a robust recruitment process and many interviews with candidates, former Club Captain, Kevin Maher was appointed as Head Coach, supported by Darren Currie (Assistant) and Mark Bentley (First Team Coach). The coaches have bought into the new culture that has been created and have helped create an environment for success and the Club has started to become high performing.

The Club's Academy continues to produce a stream of talent.

The Academy and the Club generally continue to be supported by South Eastern Leisure UK Limited, Roots Hall Limited and Martin Dawn Plc.

This statement has been written on 30 May 2023.

**STRATEGIC REPORT  
For The Year Ended 31 July 2020**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

Many supporters love Roots Hall but sadly our current stadium is no longer fit for purpose in the modern era, with increasing costs year on year to ensure we maintain the standards demanded by the authorities. For that reason alone, support from the Council is crucial. Under our new stadium plans the Clubs "risks and uncertainties" are substantially reduced, if not eradicated, with continued prudent management. The community will have a state of-the-art facility of which we can all be justifiably proud.

The Club has been for many years, and continues to be, reliant on its parent company, Martin Dawn Plc, for support. Without this support the Club would not be able to continue operations.

Such a position, to a greater or lesser degree, is not unusual in Football. However once the new stadium is built it is envisaged that the Club, with new modern facilities including conferencing and banqueting space, will be self-sufficient and will no longer be reliant on its parent Company.

**FINANCIAL KEY PERFORMANCE INDICATORS**

1. The Operating loss was £971k for the year (£2,358m in 2019);
2. The Loss for the year was £1,097m compared to £2,558m in 2019;
3. The Company continues solely because of the Group funding which has increased from £14.2m to £14.3m during the year under review;
4. The current year loss has been funded mainly by an increase in Creditors, a decrease in Debtors and the previously mentioned increase in loans from Group Undertakings

**ON BEHALF OF THE BOARD:**

R Martin - Director

30 May 2023

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**REPORT OF THE DIRECTORS  
For The Year Ended 31 July 2020**

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The directors present their report with the financial statements of the company for the year ended 31 July 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a Professional Football Club.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 July 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2019 to the date of this report.

R Martin  
G J Lockett  
D M Markscheffel  
F Van Wezel

Other changes in directors holding office are as follows:

G King - resigned 18 September 2019

**REPORT OF THE DIRECTORS  
For The Year Ended 31 July 2020**

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**Principal risks and uncertainties**

The Company is exposed to a variety of risks. These range from the wider effects of the general economy and external competition to those more specific to the Company, such as its own financial strength and size. There are also added risks associated with operating an old stadium, which is becoming increasingly difficult to maintain to the latest safety regulations. The Board regularly review these risks and their potential impact on the Company. The Board monitors the Company's performance through use of regular financial information and management reports. The Board focuses on the Company's levels of profitability, liquidity and balance sheet strength.

**Treasury operations and financial instruments**

The Company operates a treasury function which is responsible for managing the liquidity and interest risks associated with the Company's activities. The Company's principal financial instruments are loans, the main purpose of which is to raise finance for the Company's operations. In addition, the Company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

**Liquidity risks**

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

**Interest rate risk**

The Company is exposed to interest rate risk on loans. The Company manages debt so as to reduce its exposure to changes in interest rates.

**Future developments**

The Club continues to seek improvements in its turnover and trading performance. The Directors are of the opinion that growth in revenue streams will be greatly aided by the move to the new stadium. In addition the running costs will be dramatically reduced with a modern state of the art facility and most importantly, the new stadium will more appropriately address the varied needs of the whole community.

The Company is dependant on funding from its major shareholder and parent company, South Eastern Leisure (UK) Limited and the Directors would like to thank them for this financial support.

**Charitable donations**

The Company provides a significant number of local charities, football teams and schools with free tickets and signed merchandise. The Company also provides resources and accommodation to the Southend United Community and Educational Trust, a registered charity. The Club has not quantified the cost of the resource given, even though it is substantial and sustained. The club has no intention of recovering this cost from the Trust as it is part of our Corporate Social responsibilities' of which we are proud.

**REPORT OF THE DIRECTORS  
For The Year Ended 31 July 2020**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Hilden Park Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

R Martin - Director

30 May 2023



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE)**

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**Opinion**

We have audited the financial statements of Southend United Football Club Limited (The) (the 'company') for the year ended 31 July 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We draw attention to note 2 in the financial statements, which indicates that whilst the Directors are confident that the company's major shareholder and parent company South Eastern Leisure (UK) Limited, will continue to provide the necessary funds to the company through their financing facilities, there can be no certainty in these matters. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE)**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE)**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Matthews BSc FCA (Senior Statutory Auditor)  
for and on behalf of Hilden Park Accountants Limited  
Chartered Accountants  
& Statutory Auditors  
Hilden Park House  
79 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent  
TN11 9BH

30 May 2023

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**INCOME STATEMENT  
For The Year Ended 31 July 2020**

		<b>31/7/20</b>	<b>31/7/19</b>
	Notes	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	3	<b>5,109,759</b>	<b>7,430,373</b>
Cost of sales		<u><b>5,186,654</b></u>	<u><b>7,553,745</b></u>
<b>GROSS LOSS</b>		<b>(76,895)</b>	<b>(123,372)</b>
Administrative expenses		<u><b>1,417,119</b></u>	<u><b>2,238,693</b></u>
		<b>(1,494,014)</b>	<b>(2,362,065)</b>
Other operating income		<u><b>523,378</b></u>	<u><b>3,610</b></u>
<b>OPERATING LOSS</b>	5	<b>(970,636)</b>	<b>(2,358,455)</b>
Interest payable and similar expenses	6	<u><b>126,442</b></u>	<u><b>199,622</b></u>
<b>LOSS BEFORE TAXATION</b>		<b>(1,097,078)</b>	<b>(2,558,077)</b>
Tax on loss	7	<u><b>-</b></u>	<u><b>-</b></u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><b>(1,097,078)</b></u>	<u><b>(2,558,077)</b></u>

The notes form part of these financial statements

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**OTHER COMPREHENSIVE INCOME  
For The Year Ended 31 July 2020**

	Notes	31/7/20 £	31/7/19 £
<b>LOSS FOR THE YEAR</b>		<b>(1,097,078)</b>	<b>(2,558,077)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>(1,097,078)</u></b>	<b><u>(2,558,077)</u></b>

The notes form part of these financial statements

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**BALANCE SHEET  
31 July 2020**

	Notes	31/7/20 £	£	31/7/19 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		<b>29,495</b>		68,705
Tangible assets	9		<b>1,351,108</b>		<b>1,486,502</b>
			<b>1,380,603</b>		<b>1,555,207</b>
<b>CURRENT ASSETS</b>					
Stocks	10	<b>7,037</b>		23,567	
Debtors	11	<b>421,408</b>		1,627,213	
Cash at bank		<b>7,624</b>		126,861	
		<b>436,069</b>		<b>1,777,641</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<b>19,354,250</b>		<b>19,880,982</b>	
<b>NET CURRENT LIABILITIES</b>			<b>(18,918,181)</b>		<b>(18,103,341)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>(17,537,578)</b>		<b>(16,548,134)</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<b>107,634</b>		-
<b>NET LIABILITIES</b>			<b>(17,645,212)</b>		<b>(16,548,134)</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		<b>169,488</b>		169,488
Share premium	17		<b>676,702</b>		676,702
Retained earnings	17		<b>(18,491,402)</b>		<b>(17,394,324)</b>
<b>SHAREHOLDERS' FUNDS</b>			<b>(17,645,212)</b>		<b>(16,548,134)</b>

The financial statements were approved by the Board of Directors and authorised for issue on 30 May 2023 and were signed on its behalf by:

R Martin - Director

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**STATEMENT OF CHANGES IN EQUITY  
For The Year Ended 31 July 2020**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
<b>Balance at 1 August 2018</b>	169,488	(14,836,247)	676,702	(13,990,057)
<b>Changes in equity</b>				
Total comprehensive income	-	(2,558,077)	-	(2,558,077)
<b>Balance at 31 July 2019</b>	169,488	(17,394,324)	676,702	(16,548,134)
<b>Changes in equity</b>				
Total comprehensive income	-	(1,097,078)	-	(1,097,078)
<b>Balance at 31 July 2020</b>	169,488	(18,491,402)	676,702	(17,645,212)

The notes form part of these financial statements

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**CASH FLOW STATEMENT  
For The Year Ended 31 July 2020**

	Notes	31/7/20 £	31/7/19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(668,574)	437,591
Interest paid		<u>(126,442)</u>	<u>(199,622)</u>
Net cash from operating activities		<u>(795,016)</u>	<u>237,969</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(88,518)	(69,430)
Purchase of tangible fixed assets		(12,268)	(46,238)
Sale of intangible fixed assets		13,881	17,334
Sale of tangible fixed assets		11,172	644
Government grants received		<u>518,712</u>	<u>-</u>
Net cash from investing activities		<u>442,979</u>	<u>(97,690)</u>
<b>Cash flows from financing activities</b>			
New loans in year		<u>232,800</u>	<u>-</u>
Net cash from financing activities		<u>232,800</u>	<u>-</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(119,237)</u>	<u>140,279</u>
<b>Cash and cash equivalents at beginning of year</b>	2	126,861	(13,418)
<b>Cash and cash equivalents at end of year</b>	2	<u>7,624</u>	<u>126,861</u>

The notes form part of these financial statements



**NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 July 2020**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31/7/20	31/7/19
	£	£
Loss before taxation	(1,097,078)	(2,558,077)
Depreciation charges	147,662	215,708
Profit on disposal of fixed assets	(11,172)	(179)
Amortisation of intangible assets	113,847	239,375
Decrease in amounts owed by groups	-	15,068
Increase in amounts owed to groups	105,170	869,332
Government grants	(518,712)	-
Finance costs	126,442	199,622
	<u>(1,133,841)</u>	<u>(1,019,151)</u>
Decrease/(increase) in stocks	16,530	(1,897)
Decrease in trade and other debtors	1,205,804	401,860
(Decrease)/increase in trade and other creditors	<u>(757,067)</u>	<u>1,056,779</u>
<b>Cash generated from operations</b>	<u><b>(668,574)</b></u>	<u><b>437,591</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 July 2020**

	31.7.20	1.8.19
	£	£
Cash and cash equivalents	<u>7,624</u>	<u>126,861</u>

**Year ended 31 July 2019**

	31.7.19	1.8.18
	£	£
Cash and cash equivalents	126,861	2,961
Bank overdrafts	<u>-</u>	<u>(16,379)</u>
	<u>126,861</u>	<u>(13,418)</u>

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 July 2020**

**3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	<b>At 1.8.19 £</b>	<b>Cash flow £</b>	<b>At 31.7.20 £</b>
<b>Net cash</b>			
Cash at bank	<u>126,861</u>	<u>(119,237)</u>	<u>7,624</u>
	<u>126,861</u>	<u>(119,237)</u>	<u>7,624</u>
<b>Debt</b>			
Debts falling due within 1 year	-	(125,166)	(125,166)
Debts falling due after 1 year	-	(107,634)	(107,634)
	-	<u>(232,800)</u>	<u>(232,800)</u>
<b>Total</b>	<u>126,861</u>	<u>(352,037)</u>	<u>(225,176)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 July 2020**

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**1. STATUTORY INFORMATION**

Southend United Football Club Limited (The) is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The financial statements have been prepared on the going concern basis. The Directors are confident that its major shareholder and parent company, South Eastern Leisure (UK) Limited, will continue to provide the necessary funds to the Company through their financing facilities. However, there can be no certainty in these matters. On this basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of funding facilities.

**Critical accounting judgements and key sources of estimation uncertainty**

There were no critical judgments made in the process of applying the Company's accounting policies.

There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

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**2. ACCOUNTING POLICIES - continued**

**Turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- i) the Company has transferred the significant risks and rewards of ownership to the buyer;
- ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) the amount of revenue can be measured reliably;
- iv) it is probable that the Company will receive the consideration due under the transaction; and
- v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- i) the amount of revenue can be measured reliably;
- ii) it is probable that the Company will receive the consideration due under the contract;
- iii) the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- iv) the costs incurred and the costs to complete the contract can be measured reliably.

**Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 33% straight line
Fixtures & fittings	- 33% straight line
Motor vehicles	- 20% on cost

**Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31/7/20	31/7/19
	£	£
Operations and other income	648,215	1,020,935
Player trading income	753,267	583,897
Centre of Excellence Income	438,270	424,705
Sales - League Income	1,654,400	1,474,300
Sales - Season Tickets	664,907	728,744
Advertising Income	625,274	2,650,152
Shop royalties income	29,820	44,483
Television Income	75,000	90,000
Sales - Food/Drink	220,606	413,157
	<u>5,109,759</u>	<u>7,430,373</u>

**4. EMPLOYEES AND DIRECTORS**

	31/7/20	31/7/19
	£	£
Wages and salaries	3,936,275	5,684,533
Social security costs	409,398	537,739
Other pension costs	21,034	18,764
	<u>4,366,707</u>	<u>6,241,036</u>

The average number of employees during the year was as follows:

	31/7/20	31/7/19
Playing, Training and Coaching	89	91
Establishment and ground maintenance	48	54
Directors	<u>5</u>	<u>5</u>
	<u>142</u>	<u>150</u>
	31/7/20	31/7/19
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

**5. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	<b>31/7/20</b>	31/7/19
	<b>£</b>	£
Other operating leases	-	450,000
Depreciation - owned assets	<b>147,662</b>	215,708
Profit on disposal of fixed assets	<b>(11,172)</b>	(179)
Players' registrations amortisation	<b>113,847</b>	239,375
Auditors' remuneration	<b>22,000</b>	21,000

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>31/7/20</b>	31/7/19
	<b>£</b>	£
Loan interest	<b>126,442</b>	199,622

**7. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 July 2020 nor for the year ended 31 July 2019.

**8. INTANGIBLE FIXED ASSETS**

	<b>Players' registrations £</b>
<b>COST</b>	
At 1 August 2019	314,911
Additions	88,518
Disposals	<b>(98,982)</b>
At 31 July 2020	<b>304,447</b>
<b>AMORTISATION</b>	
At 1 August 2019	246,206
Amortisation for year	113,847
Eliminated on disposal	<b>(85,101)</b>
At 31 July 2020	<b>274,952</b>
<b>NET BOOK VALUE</b>	
At 31 July 2020	<b>29,495</b>
At 31 July 2019	68,705

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

**9. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures & fittings £	Motor vehicles £	Office equipment £	Totals £
<b>COST</b>					
At 1 August 2019	1,354,915	2,476,396	40,250	42,689	3,914,250
Additions	6,046	6,222	-	-	12,268
At 31 July 2020	1,360,961	2,482,618	40,250	42,689	3,926,518
<b>DEPRECIATION</b>					
At 1 August 2019	366,680	1,986,880	40,250	33,938	2,427,748
Charge for year	97,949	41,175	-	8,538	147,662
At 31 July 2020	464,629	2,028,055	40,250	42,476	2,575,410
<b>NET BOOK VALUE</b>					
At 31 July 2020	896,332	454,563	-	213	1,351,108
At 31 July 2019	988,235	489,516	-	8,751	1,486,502

**10. STOCKS**

	31/7/20 £	31/7/19 £
Stocks	7,037	23,567

**11. DEBTORS**

	31/7/20 £	31/7/19 £
Amounts falling due within one year:		
Trade debtors	234,055	233,660
Other debtors	166,383	48,298
Prepayments and accrued income	10,510	1,333,941
	<u>410,948</u>	<u>1,615,899</u>
Amounts falling due after more than one year:		
Other debtors	10,460	10,520
Prepayments and accrued income	-	794
	<u>10,460</u>	<u>11,314</u>
Aggregate amounts	<u>421,408</u>	<u>1,627,213</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

**11. DEBTORS - continued**

During 1987, the Company entered into a joint venture agreement ("the agreement") to build a block of flats on land owned by the Company. The agreement specified that both parties would retain equity shares in each unit of leasehold property which would be realised no later than five years from the date of sale of each unit. The equity shares allowed the joint venture partners to participate in the agreed values of the leasehold interests on sale and any subsequent increase in value if sold within five years of granting the lease.

Thus the equity share debtor of £10,460 (2019 - £10,520) represents the amounts due to the Company, after provisions, in respect of its share in the total sale price of each unit of leasehold property.

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/7/20	31/7/19
	£	£
Bank loans and overdrafts (see note 14)	2,266	-
Other loans (see note 14)	122,900	-
Trade creditors	1,810,623	2,224,461
Amounts owed to group undertakings	14,347,692	14,242,523
Social security and other taxes	1,729,932	635,620
Other creditors	420,588	741,378
Accruals and deferred income	920,249	2,037,000
	<u>19,354,250</u>	<u>19,880,982</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31/7/20	31/7/19
	£	£
Bank loans (see note 14)	47,734	-
Other loans (see note 14)	59,900	-
	<u>107,634</u>	<u>-</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	31/7/20	31/7/19
	£	£
Amounts falling due within one year or on demand:		
Bank loans	2,266	-
Other loans	122,900	-
	<u>125,166</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	9,655	-
Other loans - 1-2 years	59,900	-
	<u>69,555</u>	<u>-</u>

**SOUTHEND UNITED FOOTBALL CLUB  
LIMITED (THE) (REGISTERED NUMBER: 00089767)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

**14. LOANS - continued**

	31/7/20 £	31/7/19 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>30,174</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>7,905</u>	<u>-</u>

**15. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/7/20 £	31/7/19 £
Within one year	2,820	6,975
Between one and five years	<u>1,420</u>	<u>4,230</u>
	<u>4,240</u>	<u>11,205</u>

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/7/20 £	31/7/19 £
677,488	Ordinary shares	£0.25	<u>169,488</u>	<u>169,488</u>

**17. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 August 2019	(17,394,324)	676,702	(16,717,622)
Deficit for the year	(1,097,078)		(1,097,078)
At 31 July 2020	<u>(18,491,402)</u>	<u>676,702</u>	<u>(17,814,700)</u>

**18. ULTIMATE PARENT COMPANY**

South Eastern Leisure UK Limited is regarded by the directors as being the company's ultimate parent company.

**19. CONTINGENT LIABILITIES**

Under the terms of certain contracts for the transfer of players' registrations, future payments may be due, dependant on the future transfer value attained for certain players, It is not possible to quantify the maximum liability that could be payable. In addition, where payments due for player transfers cannot be accurately determined at the year end, only those amounts actually agreed have been included in these financial statements. Any subsequent amounts will be included when they have been agreed.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
For The Year Ended 31 July 2020**

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**20. RELATED PARTY DISCLOSURES**

DM Markscheffel is a Director of the Company. At the year end, the Company owed £116,699 (2019 - £116,699) to DM Markscheffel.

During the year G Lockett, a Director of the Company, continued his loan to Southend United Football Club Limited. At the year end the Company owed £155,424 (2019 - £184,582) in respect of the capital portion of this loan. The Company also owed G Lockett £57,810 (2019 - £57,810) at the year end. A sum of £3,757 (2019- £3,757) was outstanding at the year end from SP Broker Services Limited, a company in which Gary Lockett has a controlling interest. A sum of £6,951 (2019 - £6,957) was outstanding at the year end from Arkasian Property Management Limited, a company which Gary Lockett also has a controlling interest. A sum was outstanding at the year end from Gary Lockett for £10,866 (2019 - £10,326). Ticket sales of £820 (2019 - £820) were made during the year to SP Broker Services; a company in which Gary Lockett has a controlling interest.

**South Eastern Leisure UK Limited**

South Eastern Leisure UK Limited ("SEL") is the direct parent undertaking. The amount owed to SEL and related companies at the year end was £13,367,692 (2019 - £13,242,522). This amount is included in creditors falling due within one year. The Company leases the training ground and the Roots Hall ground from SEL. Rent is charged amounting to £nil (2019 - £450,000). A management charge amounting to £300,000 (2019 - £300,000) was also payable to these companies.

**Mezcal Investments**

Mezcal Investments Limited owns 50% of SEL. In 2006 the Company received loans from Mezcal Investments Limited amounting to £1,000,000. At the year end £1,000,000 (2019 - £1,000,000) remained outstanding.

**Inhouse Advisors Limited**

Inhouse Advisors Limited is a company controlled by a close family member of a person who has significant influence over the Company. During the year the company paid rental income of £20,000 (2019 - £20,000) from Inhouse Advisors Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.